has introduced several new financial and premium services to earn additional revenue like Retail Post, International Money Transfer Service, retailing of insurance products and mutual funds. These new services require additional space. Under the circumstances, there is no plan to use Post Offices for shopping areas.

Downfall of BPO Sector

1455. SHRI SANJAY NIRUPAM: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether Government have noticed the future downfall of the BPO Sector;

(b) whether the U.S. stands about the outsourcing issue has any impact upon the Indian IT Sector;

(c) whether the India's most employed youth in IT Sector would have to lose their job in future; and

(d) Government's stand in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD): (a) No downfall of the BPO in Information Technology sector is anticipated. Rather this sector in India is upbeat now and the future seems to be promising.

(b) The stand of the US Federal Government as it appears today is not against any outsourcing in Information Technology.

(c) In view of (a) and (b) above, the question does not arise.

(d) Government as such is continuously taking appropriate measures to retain the competitiveness of the Indian Information Technology sector. Details of the various steps taken towards this are given in the statement.

Statement

Steps taken by the Government to boost the Software Industry and bring it at par with other Countries

1. Approvals for all foreign direct investment proposals relating to the Information Technology Sector, with the exception of Business-to-consumer (B2C) e-commerce are under the automatic route.

2. Peak rate of customs duty continues to be 20%. Customs duty on Computers and Peripherals is @10%. All storage devices, integrated circuits, microprocessors, data display tubes and deflection components of colour monitors continue at 0%. Customs duty on parts of computers and Switch Mode Power Supply (SMPS) has been fully exempted. Customs duty on Information Technology Agreement (ITA-1) bound items is as per commitments. Laptops brought as part of baggage are exempted from customs duty. Excise duty on computers reduced from 8% to 0%. Microprocessors, Hard Disc Drives, Floppy Disc Drives and CD ROM Drives continue to be exempt from excise duty.

3. Export Promotion Capital Goods scheme (EPCG) allows capital goods on payment of 5% customs duty. The Export Obligation under the scheme is linked to the duty saved and is 8 times duty saved on capital goods imported, to be fulfilled over a period of 8 years.

4. 100% depreciation is available to computers and computer peripherals over a period of 3 years for all types of electronic units under Export Oriented Units (EOU)/Software Technology Park (STP)/Special Economic Zone (SEZ) Schemes.

5. Information Technology Software is exempted from Customs and Excise Duty.

6. EOU and STP units are eligible for Income Tax exemption on export profits, upto 2010, in terms of Section 10A and 10B of the Income Tax Act.

7. Benefit of Section HHE is available to supporting software developers.

8. Threshold limit for obtaining "Export House" status reduced to Rs. 5 crores from Rs. 15 crores for Small Scale Industry, tiny sector, cottage sector, units located in North East States/Sikkim/J&K; exporters exporting to countries in Latin America/CIS/Sub Sahara Africa and units having ISO 9000 (Series) status. The status holders are eligible for the following new/ special facilities:

100% retention of foreign exchange in Exchange Earners' Foreign Currency (EEFC) account;

Enhancement in normal repatriation period from 180 days to 360 days.

9. Income by way of dividends or long-term capital gains of a Venture Capital Fund (VCF) or Venture Capital company from investment made by way of equity shares in a Venture Capital Undertaking, which has been expanded to include the Software and IT sectors, will henceforth not be included in computing the total income. SEBI has been made the single point nodal agency for registration and regulation of both domestic and overseas venture capital funds.

10. Information Technology Act 2000 dealing with Cyber Security, Cyber Crime and other information security related legal aspects is in place to encourage expansion of e-commerce through internet.

11. Efforts are going on through negotiations as per General Agreement on Trade in Services (GATS) of World Trade Organisation (WTO) to secure increased access to the foreign markets and removal of trade barriers being faced by the Indian industry.

Retired Telecom Officers working with Reliance Infocom

1456. SHRI K.B. KRISHNA MURTHY: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether in the wake of discovery of the grey international call racket, Government have set up a Vigilance Squad to monitor international calls round-the-clock;

(b) whether the Vigilance Squad has focused on the suspected involvement of former telecom officers now working with the Reliance Infocom;

(c) whether the suspected officials of Telecom Department had secured Government's permission, after retirement to join Reliance Infocom; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD): (a) No, Sir. Government has set up four Vigilance Telecom Monitoring cells at Delhi, Mumbai, Hyderabad and Chennai to carry out investigations against the detected grey market operators including errant telecom service providers on the basis of information received from security agencies and other sources.